

CITATION: Miguna v. Walmart Canada et al. 2015 ONSC 5744
COURT FILE NO.: CV-14-514949
DATE: 20150918

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

MIGUNA MIGUNA)
) Miguna Miguna, Plaintiff, In Person
)
 Plaintiff)
)
 – and –)
) *Antonio Turco and Sarah O’Grady, for Wal-*
) *Mart Canada Corp. and Wal-Mart Stores,*
 WALMART CANADA CORP.,) *Inc.*
 WALMART STORES INC., and)
 CONSORTIUM BOOK SALES AND)
 DISTRIBUTION, LLC) *Ilan Ishai for Consortium Book Sales and*
) *Distribution, LLC*
 Defendants)
)
)
)
) **HEARD:** 14 & 15 September 2015

2015 ONSC 5744 (CanLII)

REASONS FOR DECISION

(Defendants’ motions for Summary Judgment Pursuant to Rule 20)

MEW J.

[1] “Peeling Back The Mask – A Quest for Justice in Kenya” is an account of the life of Miguna Miguna, a Kenyan Canadian whose many accomplishments include a period of service as the Senior Adviser on Coalition, Legal and Constitutional Affairs to the Prime Minister of Kenya. Mr. Miguna, who is qualified as a lawyer in both Ontario and Kenya, now lives in Ontario.

[2] “Peeling Back The Mask” was published in 2012 by a United Kingdom-based publisher, Gilgamesh Africa Ltd. (as will be seen the precise identity of the publisher of the book has been questioned).

[3] In August 2014, Mr. Miguna became aware that Peeling Back The Mask was being offered for sale on the walmart.com website. This website is controlled by Walmart.com USA LLC which is an affiliate of the defendant Wal-Mart Stores Inc. (“Wal-Mart Stores”).

[4] The advertisement on walmart.com identified Consortium Book Sales and Distribution LLC (“Consortium”) as the publisher of the book.

[5] The walmart.com advertisement included a reproduction of the cover of the book and the following description:

“Peeling Back The Mask” is an insider’s account from one of the Kenyan Prime Minister’s former advisers detailing instances of corruption and fraud at the highest level of Kenyan government. With massive online and media coverage, this book has become the spearhead of a national campaign to aspire to a new corruption-free Kenya.

This remarkable book generated twenty thousand hits on the publisher website within hours of its announcement and Google reports Miguna Miguna is in the top five subjects searched online in Africa.

[6] Further internet searches revealed that Consortium’s own website also had a product page for “Peeling Back The Mask”. Consortium’s website identifies the publisher of the book as Gilgamesh Publishing Ltd.

[7] Consortium, Wal-Mart Stores and Walmart.com US LLC are all entities based in the United States. The Consortium and walmart.com websites are operated from that country.

[8] In this action, Mr. Miguna sues Wal-Mart Stores and Consortium (but not Walmart.com US LLC) for breach of copyright and related relief. Although originally named as a defendant in the action, the claim against Wal-Mart Canada Corp. has been dismissed on consent.

[9] In summary, Mr. Miguna claims that he did not consent to any publication, production, reproduction or release of “Peeling Back The Mask” by the defendants.

[10] This action was started on 27 October 2014. Pleadings have been exchanged and the defendants have delivered affidavits of documents.

[11] The plaintiff has also commenced two other actions in this court which are based on alleged breaches of his copyright and intellectual property rights in connection with “Peeling Back The Mask”: *Miguna v. Barnes & Noble Inc., et al*, Court File No. CV-15-533258 (Toronto) and *Miguna v. Consortium Book Sales and Distribution, Inc. et al*, Court File No. CV-15-529766 (Toronto). Mr. Miguna indicated that he intends to request an order for consolidation of all three actions but has not yet initiated that process. Nevertheless, he raises the existence of these other actions and their inter-connectedness with the subject proceeding as a factor which should guide the court to the conclusion that it would be unjust to summarily dismiss his claims against Walmart Canada Corporation and Consortium in this action.

[12] On 2 June 2015 the parties appeared in Civil Practice Court to schedule motions for summary judgment by the defendants seeking dismissal of the action. The endorsement of the

Civil Practice Court judge notes that the plaintiff would be bringing “a concomitant motion” for a stay of the defendants’ summary judgment motions. A hearing of all of these motions was scheduled for 14 September 2015 with provision for delivery of various motion materials and cross-examinations on affidavits.

[13] By the time the motions were heard commencing 14 September 2015, the record had grown to a sufficient extent that two bankers’ boxes were filled. Notwithstanding the volume of material, the defendants argue that the plaintiff’s action against them cannot succeed and should therefore be summarily dismissed. The plaintiff argues that his claims are not suitable for summary judgment and that in any event, a summary judgment motion is premature because oral examinations for discovery have not yet taken place and because, as noted above, there are other extant proceedings involving similar subject matter and relief which should be heard concurrently with the present action.

[14] At the beginning of the hearing of the motions, Mr. Miguna raised a number of preliminary matters which he asked me to rule on, namely:

- (1) Whether the defendants should have been permitted to deliver and file responding factums (no provision for the same having been made in the scheduling order);
- (2) If these factums were to be received by the court, whether two sentences making reference to the anticipated retraction of some previously filed evidence should be struck out; and
- (3) Whether an order should be made in striking out the statements of defence.

[15] For oral reasons given in court, I permitted the responding factums to remain part of the material considered by me and declined to either strike out the portion of one of the factums which Mr. Miguna referred me to, or to strike out the statements of defence.

[16] I then heard argument on whether there should be a stay of the summary judgment motions. For oral reasons delivered by me in court, I declined to stay the summary judgment motions.

[17] These reasons deal with the balance of the issues before me, namely, the two summary judgment motions.

[18] To grant summary judgment, I must find that there is no genuine issue for trial. As the Supreme Court of Canada noted in *Hryniak v. Maudlin* 2014 SCC 7 at para. 49:

There will be no genuine issue requiring trial when the judge is able to reach a fair and just determination on the merits of a motion for summary judgment. This will be the case when the process: (1) allows the judge to make the necessary findings of fact, (2) allows the judge to apply the law to the facts, and (3) is a proportionate, or expeditious and less expensive means to achieve a just result.

[19] The issues raised in the action boil down to whether (a) the defendants directly infringed Mr. Miguna's copyright in *Peeling Back The Mask* by printing or reproducing copies of it without his consent; (b) the defendants indirectly infringed Mr. Miguna's copyright by distributing selling or exposing or offering for sale copies of *Peeling Back The Mask* which they knew or should have known were printed, produced or reproduced without Mr. Miguna's consent; and (c) the defendants have infringed the plaintiff's moral rights.

[20] There are a number of key facts that are not seriously in dispute. Furthermore, there is an extensive record upon which I can confidently make all of the other necessary factual findings to determine these motions, utilising, when necessary, the powers available to me under rule 20.04(2.1).

[21] First and foremost, there is no evidence that anything other than the originally published version of "*Peeling Back The Mask*" has been sold or offered for sale in North America by the defendants.

[22] Second, although the walmart.com website is visible by internet users based in Canada, persons located in Canada cannot purchase items from the walmart.com website and items purchased on that site cannot be shipped to addresses in Canada.

[23] The evidence presented by Consortium satisfies me that the representation of Consortium as the publisher of the book was a mistake. All books marketed on walmart.com are supplied through a distributor, Baker & Taylor. The most plausible explanation for the misrepresentation of Consortium as the publisher of the book is that Baker & Taylor provided erroneous information to that effect.

[24] I also accept Consortium's evidence that the information appearing on its own website concerning the book was provided by Gilgamesh, including selling and marketing points and information concerning the print run.

[25] Furthermore, I conclude that the correct interpretation of literally hundreds of pages of Consortium's printouts relating to "*Peeling Back The Mask*" is that the distribution of the book in North America never progressed beyond the "back-order" stage. In other words, expressions of interest in ordering the book were obtained and recorded by Consortium, but that never translated into copies of the book being stocked, shipped, supplied or otherwise physically handled by Consortium.

The Defendants' Position

[26] Both defendants rely on the *Copyright Act*, R.S.C. 1985, c. C-42. Copyright infringement is a statutory cause of action and the rights and remedies which pertain to copyright infraction are exhaustive: *CCH Canadian Ltd. v. Law Society of Upper Canada*, 2004 SCC 13 at para. 9.

[27] Section 3 of the *Copyright Act* sets out the rights that a copyright owner possesses under the statute. Those rights include the sole right to publish, produce and reproduce copies of the copyrighted work.

[28] Section 27 of the *Copyright Act* distinguishes between what is known as “primary infringement” (subs.1) and “secondary infringement” (subs. 2).

[29] In respect of primary infringement it is provided that:

- (1) It is an infringement of copyright for any person to do, without the consent of the owner of the copyright, anything that but this Act only the owner of the copyright has the right to do.

[30] During the course of argument the plaintiff conceded that he makes no allegation of primary infringement of copyright against Walmart Stores. Primary infringement of copyright is only claimed against Consortium. However, secondary infringement is claimed against both Consortium and Walmart Stores.

[31] Consortium’s position on the allegation of primary infringement is that there is no evidence that Consortium published, produced or reproduced “Peeling Back The Mask”. Consortium points to the fact that it had a distribution agreement with Gilgamesh Publishing Ltd. Its only role with respect to the book was as a distributor. Consortium argues that, in fact, it never supplied a single copy of “Peeling Back The Mask” to anyone.

[32] With respect to the issue of secondary infringement, s. 27(2) of the *Copyright Act* provides:

- (2) It is an infringement of copyright for any person to
 - (a) sell or rent out,
 - (b) distribute to such an extent as to affect prejudicially the owner of the copyright,
 - (c) by way of trade distribute, expose or offer for sale or rent, or exhibit in public,
 - (d) possess for the purpose of doing anything referred to in paras. (a) to (c), or
 - (e) import into Canada for the purposes of doing anything referred to in paras. (a) to (c),

a copy of a work, sound recording or fixation of a performer’s performance or of a communication signal that the person knows or should have known

infringes copyright or would infringe copyright if it had been made in Canada by the person who made it.

[33] The test for secondary infringement is conveniently summarised by the Supreme Court of Canada in *Euro Excellence Inc. v. Kraft Canada Inc.*, 2007 SCC 37 at para. 19 in the following terms:

In *CCH [CCH Canadian Ltd. v. Law Society of Upper Canada]*, at para. 81, this Court held that three elements must be proven to establish secondary infringement: (1) a primary infringement; (2) the secondary infringer should have known that he or she was dealing with a product of infringement; and, (3) the secondary infringement sold, distributed or exposed for sale the infringing goods. Perhaps the most straightforward of secondary infringement arises when one sells a copy of an infringing work.

[34] Both defendants also point to the territorial principle, which, they submit, is an essential element of Canadian copyright law. This principle, and its implications, are described by Binnie J. in *Society of Composers, Authors & Music Publishers of Canada v. Canadian Association of Internet Providers*, 2004 SCC 45 at paras. 56-57 in the following terms:

56. Copyright law respects the territorial principle, reflecting the implementation of a “web of interlinking international treaties” based on the principle of national treatment (see D. Vaver, *Copyright Law* (2000), at p. 14).

57. The applicability of our *Copyright Act* to communications that have international participants will depend on whether there is a sufficient connection between this country and the communication in question. For Canada to apply its law consistent with the “principles of order and fairness...that ensures security of [cross-border] transactions with justice”...

[35] In *Thumbnail Creative Group Inc. v. Blu Concept Inc.* 2009 B.C.S.C. 1833 at para. 21, the British Columbia Supreme Court cited, with approval, the following extract from the text *The Canadian Law of Copyright and Industrial Designs* in which it is stated:

A Canadian court has no jurisdiction at the instance of the Canadian proprietor of a copyright work to restrain the threatened infringement by a Canadian citizen in any foreign country that adheres to the Berne Convention. Foreign authors are protected in Canada, not because of the provisions of the Conventions, but as a result of the *Copyright Act* provisions, the Convention identifies the countries, the citizens of which enjoy copyright protection, but it is the text of the *Copyright Act* that definitively provides the protection....

[36] Both of the defendants argue that the plaintiff cannot prove any of the three elements necessary to establish secondary infringement.

[37] Firstly, they say that there is no evidence of primary copyright infringement of “Peeling Back The Mask”. In his amended statement of claim, the plaintiff asserts that “Peeling Back The Mask” was properly published by Gilgamesh Africa Ltd. (“Gilgamesh Africa”). Gilgamesh Africa’s right to publish the book was provided through a publishing agreement between Mr. Miguna and Gilgamesh Publishing Ltd. (hereinafter “Gilgamesh UK”) which was subsequently assigned by Gilgamesh UK to Gilgamesh Africa. The defendants argue that because Gilgamesh Africa had the necessary rights to print, produce and licence rights to the book, any copy of the book printed or reproduced under the authority of Gilgamesh Africa cannot be an infringement copy.

[38] With respect to the second branch of the test for secondary infringement (the secondary infringer should have known that it was dealing with a product of infringement), even assuming that the infringing copies of the book did or do exist, both defendants deny that they ever dealt with a copy of the book. Since they never received any copies of the book and never possessed the book in any form, they assert that they could not and have not dealt with a “copy” of the book that was a product of primary infringement.

[39] It may be helpful to observe, at this juncture, that Mr. Miguna asserts that Gilgamesh Africa has never delivered on its contractual obligations to Mr. Miguna and, in particular, has never marketed, distributed and sold the book. He asserts that unknown to him, the publishing agreement “was a fraud from the beginning”. Accordingly, Mr. Miguna purported to terminate the publishing contract on 6 January 2013.

[40] The defendants assert that they had no reason to believe that they were dealing with a product of copyright infringement. Consortium argues that it was reasonable for it to rely on representations made by Gilgamesh UK that it had the right to grant to Consortium the various marketing, distribution and sales rights provided for under a Distribution Agreement which it had with Gilgamesh UK (and which, in a schedule, listed the plaintiff’s book). Even the plaintiff did not, until comparatively recently, at least in this action, distinguish between Gilgamesh UK and Gilgamesh Africa – they were effectively treated as one entity. Consortium asserts that there is no basis for requiring it to test the representations made by Gilgamesh UK.

[41] The information about the book on the walmart.com website was provided by Baker & Taylor, the supplier of its books. The supplier agreement between Baker & Taylor and Wal-Mart Stores (among others) and affiliates contains representations, warranties and guarantees that merchandise provided by Baker & Taylor to Wal-Mart entities under the agreement is (a) genuine and not counterfeit; and (b) does not infringe upon or violate any patent, copyright, trademark, trade name, trade dress or any rights belonging to others. Accordingly, even if, which Wal-Mart Stores denies, it dealt with any infringing copies of the book, Wal-Mart Stores argues that there is no basis upon which it would have, or ought to have, known.

[42] Thirdly, the defendants deny that they sold, distributed or exposed an infringing product for sale. The defendants assert that despite Mr. Miguna’s allegations and beliefs to the contrary, the weight of the evidence demonstrates that Consortium never sold or distributed a single copy

of Mr. Miguna's book and that no copy of the book was sold by Wal-Mart Stores either. The information relating to the book which was posted on the walmart.com website and discovered by Mr. Miguna in August 2014 does not constitute an offer for sale within the meaning of the *Copyright Act* because the offer was made in the United States, not Canada. Furthermore, Mr. Miguna acknowledged during cross-examination that the reference contained in the walmart.com website identified him as the author of the book and that the image of the book appearing on the website seemed to be an accurate depiction of the cover of the book.

[43] Furthermore, the display of the reference to "Peeling Back The Mask" on the walmart.com website was an extra-territorial act that cannot constitute infringement of Canadian copyright law. There is no evidence of a "real and substantial connection" between the display of information concerning the book on the walmart.com website and the jurisdiction of Canada. The fact that Mr. Miguna could view the website in Canada is not sufficient to create a meaningful nexus to Canada.

[44] Finally, to the extent that the plaintiff claims that his moral rights have been infringed, there is no evidence that the defendants (or anyone else) ever failed to attribute authorship of "Peeling Back The Mask" to Mr. Miguna. Similarly, in the announcements issued by the defendants that refer to the book (i.e. the website references) the work was in no way "distorted, mutilated or otherwise modified" or "used in association with a product, service, cause or institution".

The Plaintiff's Position

[45] The plaintiff clearly has grievances with many parties in relation to his book. I have already made reference to the allegations which Mr. Miguna makes against Gilgamesh Africa. In his factum, he asserts civil fraud by Gilgamesh Publishing Ltd., Max Scott (of Gilgamesh Publishing) and the defendants. A flavour of the plaintiff's perspective is provided in the following extract from his factum:

"13. Mr. Scott has been engaged in surreptitious and illegal printing, reproduction, publishing, marketing, distribution and sale of thousands of copies of the Work through Gilgamesh Publishing and other third party entities such as Consortium. Based on the evidence before the court, there is reason to believe that they have received large amounts of money from their unlawful handling of the infringing copies of the Work. They have not submitted any royalty reports and payments to Mr. Miguna. Consequently, they have been unjustly enriched."

[46] The plaintiff is critical of Consortium, and in particular its representative, Julie Schaper who provided affidavit evidence and oral testimony that she had relied on representations made by Mr. Scott and on the distribution and sales agreement between Gilgamesh Publishing and Consortium. Mr. Miguna says that she should have gone further:

“...she believed that Consortium was not required to confirm who held rights to the Work before distributing and selling copies of the same. That is irresponsible, careless and amounts either to recklessness and/or wilful blindness and deception on Consortium’s part.”

[47] Mr. Miguna also points to what he describes as “contradicting and factually inconsistent evidence” as to whether and, if so, by whom, the defendants were supplied with infringing copies of “Peeling Back The Mask”.

[48] Mr. Miguna invites the court to prefer evidence from Peter Chepul, the controller of Baker & Taylor, who in a notarised affidavit in another proceeding stated that Baker & Taylor had distributed two copies of “Peeling Back The Mask” in the United States, namely one copy to the University of Illinois and one copy to the University of Michigan, the accuracy of which evidence Consortium strongly refutes.

[49] Mr. Miguna candidly acknowledges that he does not yet have all of the evidence which he requires to establish his claim. He fully expects, through the oral discovery process, to obtain further evidence which supports the allegations which he has made. He notes that in *Combined Air Mechanical Services v. Flesch*, 2011 ONCA 764 at paras. 57-63, the Court of Appeal held that it will not be in the best interests of justice to exercise the court’s enhanced fact-finding powers in summary judgment motions conferred by rule 20.04(2.1) where the nature and complexity of the issues demand that the normal process of production of documents and oral discovery be completed before a party is required to respond to a summary judgment motion.

[50] The plaintiff’s position is summarised at para. 74 of his factum where he concludes:

“Given the nature and complexity and seriousness of the issues in this case, the length and number of documentary evidence, the inconsistencies, contradictions and incoherence in the defendants’ evidence, the material factual complex outlined above; and in view of the fact that neither full and complete production of documents have occurred, it is not in the interest of justice for the courts to exercise its powers under rule 20.04(2.1). Based on the evidence before the court, there are innumerable issues that require a trial.”

Discussion and Disposition

[51] While there are some inconsequential inconsistencies in aspects of the evidence adduced by all parties, there is an ample evidentiary record upon which I can confidently conclude that neither of the moving parties ever physically received or sold, in North America let alone in Canada, a copy of “Peeling Back The Mask”.

[52] The plaintiff may well have a legitimate dispute with the Gilgamesh entities and representatives. That is not an issue which I have to decide on this motion.

[53] There is no evidence in the record that the defendants dealt with any copy of the book that was not produced by Gilgamesh Africa or under its authority, or that does not bear the imprints “Gilgamesh Africa 2012” (there is a reference in the record to the existence of pirated copies of the book in Kenya, but there is no suggestion that there is any link between that and the actions of the defendants in this case).

[54] I find that there is no evidence of primary copyright infringement by the defendants in relation to “Peeling Back The Mask”. Bald allegations that evidence of primary infringement has been contorted or suppressed are not enough to discharge the plaintiff’s burden of establishing such infringement on a balance of probabilities.

[55] Nor, for the reasons articulated in the submissions of the defendants, can there be any basis for secondary infringement or infringement of the plaintiff’s moral rights.

[56] Ultimately, the evidence does not satisfy me that there is anything close to a significant connection between Mr. Miguna’s claims and Canada. Consequently the rights and remedies provided by the *Copyright Act* cannot be engaged.

[57] There is no reasonable basis to believe that further documentary discovery or oral discovery will repair the significant deficiencies in the plaintiff’s case.

[58] Accordingly, there are no genuine issues requiring a trial. It would not be in the interests of justice to permit a case such as this to proceed further, with all of the concomitant expenditure by the parties of time and resources.

[59] The defendants’ summary judgment motions should therefore be granted.

[60] I am provisionally of the view that the plaintiff should pay the defendants their costs of the motion and action on a partial indemnity scale. Each of the parties has provided with costs summaries. If the parties cannot agree on costs, I will receive written submissions from the parties, not to exceed three pages each, containing any submissions (in addition to their cost summaries) they wish me to consider in relationship to:

1. By/to whom costs should be paid;
2. The scale of costs; and
3. The amount of costs.

[61] Mr. Miguna should provide his submissions on or before 2 October 2015. The defendants should provide their submissions on or before 13 October 2015. These submissions can be sent to me by fax to (416) 327-5417 or delivered via Judges’ Administration at Room 170, Court House, 361 University Avenue, Toronto.

Graeme Mew J.

Released: 18 September 2015

Corrections made: 25 September 2015

Page 2, para. 5 – 3rd line of quote: should read “media coverage”...

Page 10, para. 60 – 2nd line should read “the motion and action....”

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MIGUNA MIGUNA

Plaintiff

– and –

WALMART CANADA CORP., WALMART STORES
INC., and CONSORTIUM BOOK SALES AND
DISTRIBUTION, LLC

Defendants

REASONS FOR JUDGMENT

Mew J.

Released: 18 September 2015